

DEFENSE

Exchange of notes at Reykjavik October 7, 1946

Entered into force October 7, 1946

Supplemented by agreement of April 5, 1947 ¹

Terminated by agreement of May 5, 1951 ²

61 Stat. 2426; Treaties and Other
International Acts Series 1566

The Minister of Foreign Affairs to the American Minister

No. 283

REYKJAVÍK, 7th October, 1946

MONSIEUR LE MINISTRE,

I have the honour to refer to Your Excellency's note no. 616 dated September 19, 1946, proposing certain arrangements with regard to the termination of the defense agreement of July 1, 1941,³ the withdrawal of the United States Armed Forces now in Iceland, and the future use of the Keflavik airport.

In accordance with further conversations that have taken place between representatives of the Government of Iceland and representatives of the Government of the United States I have the honour to suggest that the proposals for an agreement between the two Governments set forth in Your Excellency's note above mentioned be amended to read as follows:

1. The Government of Iceland and the Government of the United States agree to the abrogation of the defense agreement of July 1, 1941, which shall terminate upon the coming into force of the present agreement.

2. The Keflavik area and the airfields, hereinafter referred to as the airport, and the immovable installations constructed thereon by the United States which will be listed in a joint Icelandic-United States inventory to be prepared concurrently with the transfer of the airport, will be transferred to the Government of Iceland. The airport shall then become the undisputed property of the Icelandic State in fulfilment of the undertakings of the Government of the United States with respect thereto.

¹ *Post*, p. 1188.

² 2 UST 1195; TIAS 2266.

³ EAS 232, *ante*, p. 1160.

3. The Government of the United States will withdraw as promptly as possible United States military and naval personnel now in the city of Reykjavík and during a period of 180 days commencing upon the coming into force of the present agreement will progressively withdraw all United States military and naval personnel now in Iceland.

4. The Keflavik airport will continue to be available for use by aircraft operated by or on behalf of the Government of the United States in connection with the fulfilment of United States obligations to maintain control agencies in Germany. To this end the Government of the United States shall have the right to and may, at its expense, maintain at the airport either directly or under its responsibility the services, facilities and personnel necessary to such use. The special character of these aircraft and their personnel will be respected as far as customs, immigration and other formalities are concerned. No landing fees shall be charged such aircraft.

5. Neither the stipulations in the foregoing paragraph nor any other stipulations in this agreement shall impair the sovereign rights or the ultimate authority of the Republic of Iceland with regard to the control and operation of the airport or any construction or activities there.

6. In connection with the operation of the airport the United States will train Icelandic personnel in airport techniques to enable Iceland to assume progressively the operation of the airport.

7. The Government of Iceland after having consulted the Government of the United States will place in effect operational, safety, and similar rules to govern use of the airport by all aircraft.

8. The Government of Iceland and the Government of the United States will determine a mutually satisfactory formula for the equitable distribution between them of the cost of maintenance and operation of the airport, provided, however, that neither Government shall be obligated to incur any expense with regard to the maintenance and operation of the airport which it does not deem necessary to meet its own needs.

9. No duty or other taxes shall be charged on material, equipment, supplies or goods imported for the use of the Government of the United States, or its agents, under the agreement or for the use of personnel in Iceland by reason of employment pursuant to the agreement. No export tax shall be charged on the removal of such articles.

10. No personnel of the United States resident on the territory of Iceland by reason of employment pursuant to the agreement shall be liable to pay income tax on income derived from sources outside of Iceland.

11. Upon the termination of the present agreement the Government of the United States shall have the right to remove from the airport all movable installations and equipment which have been constructed or provided by the United States or its agents after the date of the agreement unless by agree-

ment such installations and equipment are bought by the Government of Iceland.

12. The agreement shall continue in effect until the obligations of the Government of the United States to maintain control agencies in Germany shall have been fulfilled; provided, however, that at any time after the lapse of five years from the coming into force of the present agreement, either Government may propose a review of the agreement. In such case the two Governments shall consult as soon as possible. If no agreement is reached as a result of such consultation within a period of six months from the date of original notification, either Government may at any time thereafter give notice in writing of intention to denounce the agreement which shall then terminate twelve months from the date of such notice.

Should the Government of the United States accept the amended wording set forth above, the affirmative reply of Your Excellency shall constitute, together with this note, the agreement of the two Governments in these matters.

I have the honour to renew to you, Monsieur le Ministre, the assurance of my highest consideration.

OLAFUR THORS

His Excellency LOUIS G. DREYFUS, JR.
United States Minister to Iceland,
Reykjavik.

The American Minister to the Minister of Foreign Affairs

EMBASSY OF THE
 UNITED STATES OF AMERICA
 REYKJAVIK, ICELAND, *October 7, 1946*

No. 628

EXCELLENCY:

I have the honor to acknowledge the receipt of Your Excellency's note of today's date in the following terms:

[For text of Icelandic note, see above.]

I have the honor to inform Your Excellency that the Government of the United States accepts the agreement set out in Your Excellency's note quoted above.

Accept, Excellency, the renewed assurances of my highest consideration.

LOUIS G. DREYFUS, JR.

His Excellency
 OLAFUR THORS,
Minister for Foreign Affairs,
Reykjavik.